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#### CITY OF ATLANTA

#### **CITY AUDITOR'S OFFICE**

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**AMANDA NOBLE** 

**Deputy City Auditor** 

City Auditor

Leslie Ward

DATE:

December 21, 2009

**SUBJECT:** 

**Performance Audit: Indirect Cost Allocation** 

The report listed above is attached for your review. Because of the transition, no discussion of the report with the City Council committee of purview has been scheduled yet. Feel free to contact me if you have questions or want to discuss the report.

#### Cc:

Gregory Giornelli, Chief Operating Officer Luz Borrero, Deputy Chief Operating Officer Greg Pridgeon, Chief of Staff Beverly Isom, Director of Communications Rhonda Dauphin Johnson, Municipal Clerk Jim Glass, Chief Financial Officer Roger Bhandari, Acting City Attorney Ginny Looney, Ethics Officer Allison Lehr, Controller Roosevelt Council, Budget Chief T. Greg Richardson Robert Hunter, Watershed Management Commissioner Ben DeCosta, Aviation General Manager Mario Diaz, Aviation Deputy General Manager Dan Smith, Chief Information Officer Mayor-elect Kasim Reed City Council Members-elect Peter Aman **Audit Committee** 

# Performance Audit: Indirect Cost Allocation

December 2009

City Auditor's Office

City of Atlanta



#### CITY OF ATLANTA

City Auditor's Office Leslie Ward, City Auditor 404.330.6452

#### Why We Did This Audit

We undertook this audit because senior management from the departments of aviation and watershed management questioned whether the city's plan for allocating indirect costs overcharged enterprise funds and expressed concern about the lack of transparency in the allocation methods. We also noted instances in which the enterprise funds seemed to be underpaying for citywide expenses, such as the \$41.6 million Oracle implementation.

#### What We Recommended

To ensure that the cost allocation plan is equitable, the Chief Financial Officer should:

- Make appropriate adjustments to the financial statements for fiscal year 2008.
- Document cost allocation procedures to include department meetings, timeframe for submissions, and schedule for plan completion.
- Establish a policy to meet annually with applicable city departments to explain the planned uses of the source data; review the allocation bases; and identify any significant organizational changes that would impact the cost allocation plan.
- Simplify central service departments and plan methodology to allocate indirect costs at the fund level only, rather than to departments within funds.
- Independently review city departments' allocation data for logic and accuracy, and that the bases reasonably reflect workload and benefits.
- Rebid the cost allocation contract and include performance measures.
- Eliminate direct bill full-time equivalents for overhead departments.
- Allocate Oracle implementation costs by annual depreciation through the cost allocation plans or charge funds directly, using a combination of transactions and full-time equivalent employees.
- Allocate Oracle operating costs among funds beginning with fiscal year 2009, using the same method.

For more information regarding this report, please contact Eric Palmer at 404.330.6455 or epalmer@atlantaga.gov.

# Performance Audit:

#### **Indirect Cost Allocation**

#### What We Found

Errors in the city's fiscal year 2008 cost allocation plan resulted in \$11 million in net overcharges to the enterprise funds. Incorrect data and errors in methodology contributed to the overcharges. In some cases, we were unable to quantify the effect of errors. Plan complexity and lack of city oversight obscured the errors and lack of communication allowed errors to be repeated year to year.

A systematic error affected allocations of all departments that have direct funded positions and provide work effort data as an allocation basis for indirect charges. Since direct appropriations from enterprise funds for support services increased in fiscal year 2008, the magnitude of errors increased as well. Thus, even though errors were repeated from year-to-year, the magnitude was significantly less in fiscal year 2007.

The city did not allocate \$41.6 million spent implementing its Oracle system. These costs were not included in any of the cost allocation plans. Because the system benefits all of the departments, the implementation costs should be shared among funds.

The plan makes it difficult to understand where costs originate and provides a level of detail that the city does not use. The double-step down method is more complicated than necessary to meet the city's needs. The criteria for defining a central service department is unclear. The city's practice of funding some support positions through direct appropriations from the enterprise funds then allocating credit for the amounts directly billed complicates the plan. The plan does not summarize fundlevel information to explain the net effect of the allocations, making it difficult for receiving departments to track what was allocated to them.

Finance shifted the timeframe for plan completion to suit its schedule, compressing the data collection schedule and reducing time for quality assurance. More time to review data submitted and overall plan for material errors could have prevented some of the errors.

The city's contract with Maximus does not define responsibilities for ensuring data reliability. The contract also lacks a mechanism for evaluating contractor performance. City oversight of contract performance was minimal and the contractor did not perform all required activities.

# **Management Responses to Audit Recommendations**

| Recommendation #1:          | Make appropriate adjustments to the financial statements for fiscal year 2008.   |                  |
|-----------------------------|--|------------------|
| Response & Proposed Action: | Adjustments were made to the 2009 financials for both the 2007 and 2008 impacts.   | Agree            |
| Timeframe:                  | Completed  |                  |
| Recommendation #2:          | Document cost allocation procedures to include department meetings, timeframe submissions, and schedule for plan completion.   |                  |
| Response & Proposed Action: | Manual will be compiled, explained, and distributed to impacted departments.   | Agree            |
| Timeframe:                  | May 2010   |                  |
| Recommendation #3:          | Establish a policy to meet annually with city departments to explain the uses of the data; review the bases; and identify any organizational changes that would impact | t the plan.      |
| Response & Proposed Action: | This will be part of the manual and should be part of the annual budgeting process.  | Agree            |
| Timeframe:                  | May 2010   |                  |
| Recommendation #4:          | Simplify and consistently identify central service departments.  |                  |
| Response & Proposed Action: | Accounting and Finance team needs to be developed to address and document.   | Agree            |
| Timeframe:                  | May 2010   |                  |
| Recommendation #5:          | Simplify plan methodology to allocate indirect costs at the fund level only, rather to departments within funds.   | nan to           |
| Response & Proposed Action: | Finance needs to complete an analysis to assess the impact of simplification on costs charged back to appropriate grants.  | Partial<br>Agree |
| Timeframe:                  | May 2010   |                  |
| Recommendation #6:          | Independently review city departments' allocation data for logic and accuracy, and bases reasonably reflect workload and benefits.                                     |                  |
| Response & Proposed Action: | This should be part of the process manual.   | Agree            |
| Timeframe:                  | May 2010   |                  |
| Recommendation #7:          | Rebid the cost allocation contract and include performance measures.   |                  |
| Response & Proposed Action: | The RFP needs to be rebid now.   | Agree            |
| Timeframe:                  | No later than March 2010   |                  |
| Recommendation #8:          | Eliminate direct bill full-time equivalents for overhead departments.  |                  |
| Response & Proposed Action: | Accounting and budget team needs to be created to discuss the best approach for this.  | Partial<br>Agree |
| Timeframe:                  | May 2010   |                  |
| Recommendation #9:          | Allocate Oracle implementation costs by annual depreciation through the cost allo<br>or charge funds directly for a share of the implementation costs.                 |                  |
| Response & Proposed Action: | Accounting, budget, and information technology will form a team to pull and validate data and communicate the impact to various funds for these costs.                 | Agree            |
| Timeframe:                  | April 2010   |                  |
| Recommendation #10:         | Allocate Oracle operating costs among funds beginning with fiscal year 2009.   |                  |
| Response & Proposed Action: | Accounting and budget team will discuss the best approach.   | Agree            |
| Timeframe:                  | April 2010   |                  |
| Recommendation #11:         | Allocate Oracle implementation using a combination of transactions performed at full-time equivalent employees as allocation basis.                                    |                  |
| Response & Proposed Action: | Will be implemented with the previous two recommendations.   | Agre             |
| Timeframe:                  | April 2010   |                  |



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68 MITCHELL STREET SW, SUITE 12100 ATLANTA, GEORGIA 30303-0312 (404) 330-6452 FAX: (404) 658-6077 **AUDIT COMMITTEE**Fred Williams, CPA, Chair
Donald T. Penovi, CPA, Vice Chair

Cecelia Corbin Hunter Council President Lisa Borders

**AMANDA NOBLE** 

**LESLIE WARD** 

City Auditor

Deputy City Auditor anoble@atlantaga.gov

lward1@atlantaga.gov

December 21, 2009

Honorable Mayor and Members of the City Council:

We initiated the audit of the indirect cost allocation plan because senior management from the departments of aviation and watershed management questioned whether the city's plan overcharged the enterprise funds and expressed concern about the lack of consistency and transparency in the allocation methods. We also noted instances in which the enterprise funds seemed to be underpaying for citywide expenses, such as the \$41.6 million Oracle implementation.

We assessed whether the plan was reasonable, accurate, and timely; whether the method was consistent and equitable; and if the city adequately monitored the performance of the contractor that creates the annual plan. We found that errors in the plan overcharged the enterprise funds \$11 million in fiscal year 2008. The review process for the allocation plan and data submissions did not include checks for reasonableness, accuracy, appropriateness of the bases, or correction of incomplete or omitted data. The plan complexity and lack of time for quality assurance obscured some of these errors. Strengthened contract management could reduce the risk of future errors.

Our recommendations focus on establishing policies, simplifying the process, ensuring consistency and accuracy, and methods for allocating Oracle costs. Management has agreed or partially agreed with our recommendations. Their responses to our recommendations are included in Appendix A.

The Audit Committee has reviewed this report and is releasing it in accordance with Article 2, Chapter 6 of the City Charter. We appreciate the courtesy and cooperation of city staff throughout the audit. The team for this project was Lesia Johnson, Dawn Williams, and Eric Palmer.

Leslie Ward City Auditor

Sphilead

Fred Williams

Audit Committee Chair

Fill Williams

# **Indirect Cost Allocation**

#### **Table of Contents**

| Introduction   | 1  |
|--|----|
| Background   | 1  |
| Audit Objectives   | 6  |
| Scope and Methodology  | 6  |
| Findings and Analysis  | 7  |
| Errors in Plan Overcharged Enterprise Funds \$11 Million in Fiscal Year 2008 | 7  |
| Process Inadequate to Minimize Allocation Errors                             | 7  |
| Oracle Implementation and Operating Costs Should Be Allocated                | 15 |
| Complexity and Lack of Timeliness Obscured Plan Errors                       | 16 |
| Strengthened Contract Management Could Reduce Risk of Error                  | 18 |
| Recommendations  | 21 |
| Appendices   | 23 |
| Management Comments and Response to Audit Recommendations                    | 25 |

# List of Exhibits

| Exhibit 1 | Enterprise Fund Expenditures Fiscal Years 2003 – 2008                     | 4  |
|-----------|---|----|
|           | Indirect Costs Allocated To Enterprise Funds Fiscal Years 2003 – 2008     |    |
|           |   |    |
| Exhibit 3 | Support Costs Direct Billed From Enterprise Funds Fiscal Years 2003-2008  | 5  |
| Exhibit 4 | Allocations with Data Errors Fiscal Years 2007 – 2008                     | 10 |
| Exhibit 5 | Duplicate Allocations Fiscal Years 2007 – 2008                            | 12 |
| Exhibit 6 | Allocation Bases That Do Not Reflect Work Effort Fiscal Years 2007 – 2008 | 14 |
| Exhibit 7 | Estimated Over/(Under) Charges Due to Plan Errors Fiscal Year 2008        | 15 |
| Exhibit 8 | Cost Allocation Contract Scope of Work                                    | 19 |

#### Introduction

We conducted this performance audit of the city's indirect cost allocation pursuant to Chapter 6 of the Atlanta City Charter, which establishes the City of Atlanta Audit Committee and the City Auditor's Office and outlines their primary duties. The Audit Committee reviewed our audit scope in August 2009.

A performance audit is an objective analysis of sufficient, appropriate evidence to assess the performance of an organization, program, activity, or function. Performance audits provide assurance or conclusions to help management and those charged with governance improve program performance and operations, reduce costs, facilitate decision-making, and contribute to public accountability. Performance audits encompass a wide variety of objectives, including those related to assessing program effectiveness and results; economy and efficiency; internal controls; compliance with legal or other requirements; and objectives related to providing prospective analyses, guidance, or summary information.<sup>1</sup>

We undertook this audit because senior management from the departments of aviation and watershed management questioned whether the city's plan for allocating indirect costs overcharged enterprise funds and expressed concern about lack of consistency and transparency in the allocation methods. We also noted instances in which the enterprise funds seemed to be underpaying for citywide expenses, such as the \$41.6 million Oracle implementation.

#### **Background**

Cost allocation plans are a tool for estimating the full costs of services by apportioning overhead — ongoing costs not directly attributable to a specific service such as administration, accounting, auditing, general legal services, building maintenance, utilities, and depreciation — to the direct costs of providing services. Identifying the full cost of delivering government services helps in budgeting, setting fees, and recovering administrative costs in grant-funded

<sup>&</sup>lt;sup>1</sup>Comptroller General of the United States, *Government Auditing Standards*, Washington, DC: U.S. Government Accountability Office, 2007, p. 17-18.

programs. Support costs may also be allocated through direct charges to an internal service fund, such as charges for motor vehicle repair. The city also funds some support positions and supplies through direct appropriations from enterprise funds. These positions and related expenses are referred to as direct bills.

The city produces two cost allocation plans each year: the Full Cost Allocation Plan, and A-87 Cost Allocation Plan. The plans are similar but the A-87 plan excludes costs disallowed under federal guidelines. OMB Circular A-87 provides guidance for state and local governments to recover indirect costs for federal awards. OMB defines indirect costs as costs that are not assignable to a specific activity. The OMB circular requires governments to prepare an allocation plan annually and exclude certain costs, such as for the City Council and the Mayor's Office. The external auditor records service charges to the enterprise funds from the cost allocation plan in the financial statements.

The city has contracted with the same vendor, Maximus, to prepare its cost allocation plans since 1984. The city entered into its current contract with Maximus in November 2007, for \$257,000 over two years. The contract expired in November 2009, but was renewed for an additional year for \$95,000.

Iterative process allocates costs from "central service departments" to "receiving departments". Maximus enters city financial and operational data into its proprietary software to generate the cost allocation plans. The plan outlines the following steps Maximus takes to input data:

- Determine what data should be included in the allocation process by:
  - interviewing city staff,
  - reviewing financial documents,
  - o reviewing the city's organizational structure, and
  - analyzing statistical data about the benefits of overhead activities.
- Analyze the city's organizational structure to determine
  which functional units called "central service
  departments" provide services to other functional units —
  called "receiving departments." Used in this context, the
  term "department" can refer to a city department, bureau,
  activity, or fund. For example, the Department of
  Procurement, the Finance Department's office of budget and

fiscal policy, the City Hall mail room, and unallocated expenses are each central service departments. Individual tax allocation district and bond funds are listed as receiving departments along with operational units such as the Fire Department, police field operations, the Department of Planning and Community Development's bureau of code compliance.

- Evaluate the activities of each central service department to determine how receiving departments benefit from the activities.
- Establish an allocation basis for each central service department that relates the activity performed to the benefit received.
- Identify exceptions and adjustments for unallowable costs and use charges. For example, the plans exclude spending from department contingency accounts from the allocation and credit funds the amounts billed directly for support services throughout the year.

Double-step down method. Maximus then allocates city expenditures using a double step-down method. This method allocates overhead costs among central service departments as well as to departments that provide direct services to the public. The process requires two iterations in order to allocate all central service department costs.

The first round of allocations is completed in sequence such that each central service department allocates costs, net of adjustments, to other departments, including other central service departments. As the sequence progresses, central service departments allocate their own expenditures as well as costs allocated to them by departments preceding them in the sequence. Central service departments can also allocate costs to themselves in the first round. The Department of Human Resources, for example, allocates costs based on the number of full-time equivalent employees in each department and allocates costs to itself in proportion to the number of employees in the department. Credits for direct charges are also applied against those charges in the first round.

The second round follows the same sequence and allocates costs received in the first round that weren't already allocated (e.g. allocations a department made to itself or received from departments that were later in the sequence) and allocations

received in the second round. At the end of the second round, all allowable central service costs have been allocated to departments that provide direct services to the public. Maximus sends the completed allocation plan to general accounting for review and approval.

Increases in both indirect allocations and direct charges to enterprises relative to overall expenses suggest need for review. The city uses the cost allocation plan to recover indirect administrative costs from its enterprise funds in the Department of Aviation and the Department of Watershed Management. The city also directly charges these funds for some support services. Exhibits 1, 2 and 3 compare changes in aviation and watershed management expenses to changes in amounts allocated through the plan and amounts directly billed from fiscal year 2003 through fiscal year 2008. Both direct and indirect charges increased at faster rates than overall expenses, with a sharp increase in direct bill amounts in fiscal year 2008.

Exhibit 1 shows the growth in enterprise fund expenses from fiscal year 2003 through fiscal year 2008. Aviation expenses grew by 60%, while watershed management expenses grew by 44%.

**Enterprise Fund Expenditures** Fiscal Years 2003 - 2008 450 400 350 300 \$ millions 250 200 150 100 50 0 2008 2006 2007 2005 2003 2004 Total Aviation Expenses Total Water Expenses

Exhibit 1

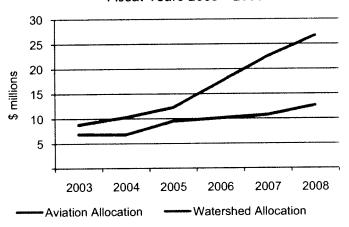
Source: Comprehensive Annual Financial Reports

Exhibit 2 shows the growth in indirect costs allocated to enterprise funds from fiscal year 2003 through fiscal year 2008. Aviation

<sup>&</sup>lt;sup>2</sup> The analysis excludes fiscal year 2006, which was a six-month period.

allocations increased by 84%, while allocations to watershed management tripled.

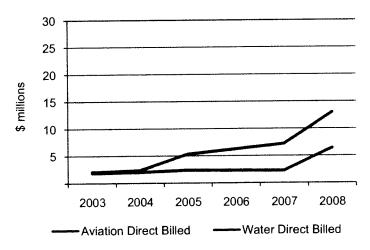
Exhibit 2
Indirect Costs Allocated To Enterprise Funds
Fiscal Years 2003 - 2008



Source: City Cost Allocation Plans

Exhibit 3 shows the growth in direct charges to enterprise funds from fiscal year 2003 through fiscal year 2008. Aviation direct charges increased more than six-fold, while direct charges to watershed management tripled. Direct charges to both departments increased sharply in fiscal year 2008.

Exhibit 3
Support Costs Direct Billed From Enterprise Funds
Fiscal Years 2003 - 2008



Source: City Cost Allocation Plans

#### **Audit Objectives**

This report addresses the following objectives:

- Is the cost allocation plan reasonable, accurate, and timely?
- Is the cost allocation method consistent and equitable?
- Does the city adequately monitor contractor performance to ensure compliance with contract terms?

#### Scope and Methodology

We conducted this audit in accordance with generally accepted government auditing standards. We conducted our audit fieldwork from March through October 2009. Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit methods included:

- Assessing fiscal year 2007 and 2008 cost allocation plans for reasonableness, accuracy, and consistency.
- Assessing contractor performance compared with contract specifications and OMB Circular A-87 requirements.
- Reviewing best practice information and reports from other jurisdictions for methodologies and guidelines for indirect cost calculation.
- Analyzing changes in direct and indirect charges to enterprise funds.
- Reviewing and verifying source documents and recalculating allocations for a sample of central service departments. Our sample included 13 of 37 central service departments and 39% of the dollars allocated in the fiscal year 2008 plan and 9 of 48 central service departments and 29% of the dollars allocated in the fiscal year 2007 plan. We selected our sample judgmentally to focus on higher risk central service departments based on identified plan errors, and existence of direct billed positions along with indirect allocations to enterprise funds.

## Findings and Analysis

# Errors in Plan Overcharged Enterprise Funds \$11 Million in Fiscal Year 2008

Errors in the city's fiscal year 2008 cost allocation plan resulted in \$11 million in net overcharges to the enterprise funds. Data and methodological errors contributed to the overcharges. In some cases, we were unable to quantify the effect of errors. Plan complexity and lack of city oversight obscured the errors and lack of communication allowed errors to be repeated year to year.

A systematic error affected allocations of all departments that have direct funded positions and provide work effort data as an allocation basis for indirect charges. Since direct appropriations from enterprise funds for support services increased in fiscal year 2008, the magnitude of allocation error increased as well. Thus, even though errors were repeated from year-to-year, the magnitude was significantly less in fiscal year 2007.

The city did not allocate \$41.6 million spent implementing its Oracle system. These costs were not included in any of the cost allocation plans. Because the system benefits all of the departments, the implementation costs should be shared among funds.

#### **Process Inadequate to Minimize Allocation Errors**

While Maximus purports to review departments' data submissions for reasonableness, we identified errors in nearly all the allocations we reviewed. Errors included reliance on incomplete data, data entry errors and omissions, a methodological error, and questionable allocation bases. In the fiscal year 2008 plan, 12 of 13 department allocations we reviewed had at least one error. Similarly, in fiscal year 2007 plan, eight of nine department allocations we reviewed had at least one error. The fiscal year 2008 plan overcharged the enterprise funds by \$11 million; the fiscal year 2007 plan overcharged water funds \$1.3 million and undercharged aviation funds \$1 million. We were unable to quantify the dollar impact of all errors due to lack of data.

Neither city nor Maximus staff reviewed data for reasonableness. The plan states that Maximus interviews city staff and reviews financial and statistical data to determine what data should be input into the allocation model. Finance staff also told us that they reviewed the plan at a high level. According to general accounting staff, two employees reviewed the plan in fiscal year 2007, and one employee reviewed the plan in fiscal year 2008. Maximus told us they met periodically with general accounting staff to review and revise the plan.

However, the review process did not include reasonableness checks of department data or plan results that should have flagged obvious errors. For example, the fiscal year 2008 plan allocated 95% of the Finance Department's revenue and collection expenditures to the Department of Watershed Management. The city entered into a Memorandum of Understanding with the Department of Watershed Management in January 2009 to repay \$23.3 million owed by the general fund, part of which resulted from revenue continuing to allocate costs for payment processing after watershed started processing its own payments through a new customer information system. In addition, the number of FTE (full-time equivalent) employees listed in the 2008 plan was about half of the number listed in the 2007 plan. The fiscal year 2007 plan omitted direct billed credits for Finance Department's office of budget and fiscal policy, treasury and revenue and collection. A more than cursory review by knowledgeable people should have caught these errors.

Maximus did not check source data with city staff for accuracy, how it should be used, or appropriateness of allocation basis. According to staff we talked to from 12 of 13 central service departments, neither Maximus nor accounting staff gave clear instructions to city departments on what data was needed for the plan. Department staff did not have a clear understanding of the plan's purpose or how the data was used. Maximus and accounting staff asked department staff to provide data in the same format as in previous years without discussing activity changes or clarifying the purpose of the data. No central service staff told us they reviewed the cost allocation plans after completion to determine accuracy of information submitted or to gain an understanding of how information was used to allocate costs.

A better understanding of the plan and use of source data would have prevented some of the errors we found. For example, the Finance Department's revenue and collection function did not list activities conducted for aviation, underground, and project and grants in their transaction counts for fiscal years 2007 or 2008. Therefore, none of its costs were allocated to these departments although they account for a portion of revenue and collection's workload. Lack of communication allowed some errors to be repeated from year-to-year.

Maximus relied on incomplete source documents, entered incorrect data, and omitted some data from the plan. As shown in Exhibit 4, we found data errors in nine of the thirteen (69%) allocations we reviewed from the fiscal year 2008 plan. We were unable to review Department of Procurement allocations for fiscal year 2008 because the city provided incomplete source documents. We found data errors in 6 of 9 (67%) allocations we reviewed from the fiscal year 2007 plan. The data errors included:

- Overstating payments the Finance Department's revenue and collection function processed for watershed by over 1 million transactions in fiscal year 2008. The revenue office provided data showing that it processed no payments for watershed in fiscal year 2008; watershed was processing its own payments through enQuesta. Maximus entered data from a prior year, resulting in a \$5 million overcharge.
- Allocating facilities maintenance expenditures twice in fiscal year 2008 — once as a central service department and once combined with general services.
- Entering inaccurate square footage for City Hall South and City Hall East, affecting allocations of building depreciation, enterprise asset management, and general services for fiscal year 2008.
- Allocating building depreciation and facilities maintenance for City Hall East in 2007 based on 2001 square footage. The city has not submitted updated data despite changes in the use of the building.
- Omitting \$443,529 in direct billed expenditures for budget in fiscal year 2007.
- Omitting \$918,179 in direct billed expenditures for treasury in fiscal year 2007.
- Miscalculating annual FTE from 6 months of data in fiscal year 2008.
- Omitting 1,546 hours worked on aviation and watershed by general fund legal employees in fiscal year 2007.

 Disaggregating City Auditor's Office data by department incorrectly in fiscal years 2007 and 2008.

We identified other small discrepancies between expenditures allocated in both the 2007 and 2008 plans and source documents.

Exhibit 4
Allocations with Data Errors Fiscal Years 2007 - 2008

|  | FY 2008                               |                      |   | FY 2007                  |                      |
|--|---------------------------------------|----------------------|---|--------------------------|----------------------|
| Central Service                          | Allocation Unit<br>Error              | Expenditure<br>Error | Central Service<br>Department               | Allocation Unit<br>Error | Expenditure<br>Error |
| Auditor's Office                         | Yes                                   | No                   | Auditor's Office                            | Yes                      | No                   |
| Law                                      | No                                    | No                   | Law   | Yes                      | Yes                  |
| - 140 77                                 | No                                    | No                   | Budget                                      | No                       | Yes                  |
| Budget Finance Revenue & Collection      | Yes                                   | No                   | Treasury/Finance<br>Revenue &<br>Collection | Yes                      | Yes                  |
|  | Yes                                   | No                   | Not a central se                            | rvice department in fis  | scal year 2007       |
| Treasurer  Human Resources - HR Services | Yes                                   | No                   | Human<br>Resources - HR<br>Services         | No                       | Yes                  |
| Information<br>Technology                | Yes                                   | No                   | Not a central se                            | ervice department in fi  | scal year 2007       |
| Procurement                              | Cannot Determine                      | No                   | Procurement                                 | Yes                      | Yes                  |
| Unallocated -<br>Telephone               | No                                    | No                   | Unallocated -<br>Telephone                  | No                       | No                   |
| Building<br>Depreciation                 | Yes                                   | No                   | Building<br>Depreciation                    | Yes                      | No                   |
| Enterprise Asset<br>Management           | Yes                                   | No                   | Not a central se                            | ervice department in fi  | scal year 2007       |
| General Services                         | Yes                                   | No                   | Not a central s                             | ervice department in fi  | scal year 2007       |
| Facilities Maintenance                   | Yes                                   | Yes                  | Facilities<br>Maintenance                   | Yes                      | No                   |
| Total - Yes                              | 9                                     | 1                    | Total - Yes                                 | 6                        | 5                    |
| Total - No                               | 3 10 4                                | 12                   | Total - No                                  | 3                        | 4                    |
| Cannot                                   | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | 0                    | Cannot<br>Determine                         | 0                        | 0                    |

Sources: Full Cost Allocation Plan fiscal years 2007 and 2008 and departments' source documents

Method allocates some charges to enterprise funds twice. Several support departments, including the Auditor's Office, have positions funded directly from enterprise funds and use measures of staff effort as the allocation basis for the indirect cost allocation. The allocation model credits enterprise funds the amounts directly billed. But because the model uses the effort of all employees,

including those already paid for directly through budget appropriations, to allocate indirect costs, the enterprise funds are overcharged. The text box below shows a simplified example.

#### Example Overcharge

In this example, a support unit has a manager and four staff members and a total budget of \$300,000. The manager and two employees are paid from the general fund, one employee is paid from the airport fund and one employee is paid from the water fund. Even if the staff employees devote all of their time to the fund from which they are paid, the model overcharges the airport and water funds because half the unit's hours were spent on general fund activities, but only one-third of the unit's total costs are allocated to the general fund. Aviation and water funds account for 25% of each of the unit's hours, but receive one-third each of the unit's total cost.

| En | nployees: |         | Total Exp | enditures: |
|----|-----------|---------|-----------|------------|
| Α  | Manager   | General | General   | \$200,000  |
| В  | Staff     | General | Airport   | \$50,000   |
| С  | Staff     | General | Water     | \$50,000   |
| D  | Staff     | Airport |           | \$300,000  |
| Ε  | Staff     | Water   |           |            |

#### Staff Time by Fund for year:

|       | •       | •       |             |
|-------|---------|---------|-------------|
|       | General | Airport | Water       |
| В     | 2,080   | 0       | 0           |
| C     | 2,080   |         |             |
| D     | 0       | 2,080   | 0           |
| E     | 0       | 0       | 2,080       |
| Total | 4,160   | 2,080   | 2,080       |
|       | 50%     | 25%     | <b>25</b> % |
|       |         |         |             |

#### Model would allocate:

| General | 50%*200,000= | \$100,000 |                     |
|---------|--------------|-----------|---------------------|
| Airport | 25%*200,000= | \$50,000  | +\$50,000=\$100,000 |
| Water   | 25%*200,000= | \$50,000  | +\$50,000=\$100,000 |

Enterprise funds receive an allocated share of all general fund costs, although the unit's efforts in the enterprise funds already are accounted for by their direct bill position. The allocations to aviation and water funds should have included only a proportional share of the manager's cost, because they have already paid for the direct bill position.

This is a systematic error that affected allocations of all departments that have direct billed positions and provide work effort data as an allocation basis for indirect charges. Since direct bill appropriations from enterprise funds increased in fiscal year 2008, the magnitude of error increased as well. Exhibit 5 shows six central service departments with duplicate allocations in fiscal year 2008 and four in fiscal year 2007.

Exhibit 5

Duplicate Allocations Fiscal Years 2007 - 2008

| FY 200                           | 08                                  | FY 2                                     | 2007                                |
|----------------------------------|-------------------------------------|--|-------------------------------------|
| Central Service Department       | Duplicate Allocation<br>(Yes or No) | Central Service<br>Department            | Duplicate Allocation<br>(Yes or No) |
| Auditor's Office                 | Yes                                 | Auditor's Office                         | Yes                                 |
| Law                              | Yes                                 | Law                                      | No                                  |
| Budget                           | Yes                                 | Budget                                   | Yes                                 |
| Finance Revenue & Collection     | Yes                                 | Treasury/Finance<br>Revenue & Collection | Yes                                 |
| Treasurer                        | Yes                                 | Not a central service d                  | epartment in fiscal year            |
| Human Resources -<br>HR Services | Yes                                 | Human Resources -<br>HR Services         | Yes                                 |
| Information<br>Technology        | No                                  | Not a central service d                  | epartment in fiscal year<br>007     |
| Procurement                      | No                                  | Procurement                              | No                                  |
| Unallocated -<br>Telephone       | No                                  | Unallocated -<br>Telephone               | No                                  |
| Building Depreciation            | No                                  | Building Depreciation                    | No                                  |
| Enterprise Asset<br>Management   | No                                  | Not a central service of                 | department in fiscal year<br>007    |
| General Services                 | No                                  | Not a central service of                 | department in fiscal year<br>007    |
| Facilities<br>Maintenance        | No                                  | Facilities<br>Maintenance                | No                                  |
| Total - Yes                      | 6                                   | Total - Yes                              | 4                                   |
| Total - No                       | 7                                   | Total - No                               | 5                                   |

Sources: Full Cost Allocation Plan fiscal years 2007 and 2008 and departments' source documents

Not all allocation bases reflect work effort. The plan is intended to establish an allocation basis for each central service department that relates the activity performed to the benefits received by the operating departments. Some of the allocation bases we reviewed were not relevant to the work performed, did not fully reflect the

department's work effort, or were not verifiable. Exhibit 6 shows central service departments for which we question whether the allocation basis is reasonable.

- The Finance Department's treasury function allocated fiscal year 2008 costs based on all journal entries and budget transfer transactions recorded in the city's financial system. The treasury function is responsible for debt and investment management and many of these transactions are not relevant to its duties. \$1.9 million was allocated from the office of the treasurer in fiscal year 2008. Treasury was grouped with revenue and collection in fiscal year 2007 and was not a separate central service department.
- The Finance Department's revenue and collections functions allocated costs based on number of revenue activities conducted for watershed management, solid waste, business licenses, permits, and special assessments. The activities included number of payments processed, adjustments to accounts, NSF payments, dunning notices, and research and correspondence related to placing liens on property for unpaid bills. The compiled data excluded transactions conducted for aviation, Underground Atlanta and projects and grants. The count of transactions does not reflect that some are more labor intensive than others. \$5.6 million was allocated from revenue and collections in fiscal year 2008.
- The Department of Procurement allocated costs based on counts per department of the number of contracts and number of line items on purchase orders. Many purchase orders are completed without procurement's involvement and Oracle doesn't identify whether a purchase order is associated with a contract. \$5.2 million was allocated from procurement in fiscal year 2008.
- The Finance Department's office of budget and fiscal policy allocated costs based on estimates of the percent of staff time spent on each department. The budget office has no mechanism to track time spent on its activities and current staff question the accuracy of data submitted in fiscal years 2007 and 2008. \$2.2 million was allocated from budget in fiscal year 2008.
- The Department of Information Technology allocated fiscal year 2008 costs based on FTE in departments, with adjustments to reduce allocations to aviation and watershed to 5% and 20% of their FTE respectively. FTE may not be the

most appropriate way to allocate these costs because not all employees use computers in their jobs. Information technology was not a separate central service department in fiscal year 2007. \$32.3 million was allocated from information technology in fiscal year 2008.

Exhibit 6
Allocation Bases That Do Not Reflect Work Effort Fiscal Years 2007 - 2008

| F)                               | Y 2008   | FY:                                      | 2007   |
|----------------------------------|--|--|--|
| Central Service<br>Department    | Allocation Basis Does<br>Not Reflect Work Effort | Central Service Department               | Allocation Basis Does<br>Not Reflect Work Effort |
| Auditor's Office                 | No   | Auditor's Office                         | No   |
| Law                              | No   | Law                                      | No   |
| Budgets                          | Yes  | Budget                                   | Yes  |
| Finance Revenue<br>& Collection  | Yes  | Treasury/Finance<br>Revenue & Collection | Yes  |
| Treasurer                        | Yes  | Not a central service dep                | artment in fiscal year 2007                      |
| Human Resources<br>- HR Services | No   | Human Resources - HR<br>Services         | No   |
| Information<br>Technology        | Yes  | Not a central service dep                | eartment in fiscal year 2007                     |
| Procurement                      | Yes  | Procurement                              | Yes  |
| Unallocated -<br>Telephone       | No   | Unallocated - Telephone                  | No   |
| Building<br>Depreciation         | No   | Building Depreciation                    | No   |
| Enterprise Asset<br>Management   | No   | Not a central service dep                | partment in fiscal year 2007                     |
| General Services                 | No   | Not a central service depart             | artment in fiscal year 2007                      |
| Facilities<br>Maintenance        | No   | Facilities Maintenance                   | No   |
| Total - Yes                      | 5  | Total - Yes                              | 3  |
| Total - No                       | 8  | Total - No                               | 6  |

Sources: Full Cost Allocation Plan FYs 2007 and 2008 and departments' source documents

Errors resulted in net overcharge to enterprise funds of \$11 million. Plan errors resulted in net overcharges of \$7.1 million to watershed management and \$3.9 million to aviation in fiscal year 2008. Exhibit 7 shows the dollar impact of errors among the central service departments we reviewed. We were unable to quantify the impact of errors in cases where source data to support allocations was missing or the allocation basis was questionable.

Exhibit 7
Estimated Over/(Under) Charges Due to Plan Errors Fiscal Year 2008

|                                  | FY 2008                       | 3                          |                           |
|----------------------------------|-------------------------------|----------------------------|---------------------------|
| Central Service<br>Department    | General Fund<br>Dollar Impact | Watershed<br>Dollar Impact | Aviation Dollar<br>Impact |
| Auditor's Office                 | (165,618)                     | 31,876                     | 135,768                   |
| Law                              | (3,998,641)                   | 870,726                    | 3,127,915                 |
| Budget & Mgmt Analysis           | (310,217)                     | 95,518                     | 214,699                   |
| Finance Revenue & Collection     | (5,109,376)                   | 5,176,184                  | Unknown                   |
| Treasurer                        | (103,643)                     | (24,499)                   | 130,180                   |
| Human Resources - HR<br>Services | (1,128,197)                   | 751,175                    | 248,636                   |
| Information Technology           | Unknown                       | Unknown                    | Unknown                   |
| Procurement                      | Unknown                       | Unknown                    | Unknown                   |
| Unallocated Telephone            | None                          | None                       | None                      |
| Building Depreciation            | 122,083                       | (122,083)                  | None                      |
| Enterprise Asset<br>Management   | (93,872)                      | 93,872                     | None                      |
| General Services                 | (42,524)                      | 42,524                     | None                      |
| Facilities Maintenance           | (185,532)                     | 185,532                    | None                      |
| Total Dollar Impact              | (11,015,537)                  | 7,100,825                  | 3,857,198                 |

Sources: Full Cost Allocation Plan FY 2008 and departments' source documents

# Oracle Implementation and Operating Costs Should Be Allocated

The city spent \$41.6 million over several years implementing its Oracle system. The city intended to finance the system through GMA (Georgia Municipal Association), but was unable to secure the loan. The implementation costs are recorded as a deficit in the city's capital finance fund. Expenditures from the capital finance fund are not allocated in the cost allocation plan.

Because the Oracle system serves the enterprise funded departments as well as the general government, the implementation costs should be shared among funds. This can be accomplished by either allocating annual depreciation through the cost allocation plan or charging funds directly for a share of the implementation costs. The plan should allocate Oracle operating costs among funds beginning with fiscal year 2009.

We reviewed several possible allocation bases and conclude that a combination of transactions performed and budgeted full-time-equivalent employees would produce a reasonable allocation of both implementation costs and annual operating costs. The chief financial officer and chief information officer should develop a specific allocation method using these allocation bases.

# Complexity and Lack of Timeliness Obscured Plan Errors

The city's cost allocation plan shifts overhead from one central service department to another before allocating it to operating departments across the city. While this method reflects that support activities are provided to other support functions, it makes it more difficult to understand where costs are coming from and provides a level of detail that the city does not use. The plan is presented in a way that is hard to understand, which increases the likelihood of missed errors. Short turn-around time limits time for quality assurance. The plan also applies direct billed credits without explaining the activities or services received.

Plan is unnecessarily complex. The double step-down method is more complicated than necessary to meet the city's needs. According to the plan, the rationale for using the double step-down method is to provide more equitable allocation among departments. However, the city makes cost allocation adjustments at the fund level and does not use the department-level cost information provided in the plan.

The criterion for determining what is a central service department is unclear. The city's fiscal year 2008 plan has 37 central service departments that reflect different levels of organizational structure including departments, bureaus, and activities. For example, the Department of Human Resources is listed as one central service department with different activities, while the Department of Finance is divided into five separate central service departments in fiscal year 2008.

The city's practice of funding some support positions through direct appropriations from enterprise funds then allocating credit to the enterprise funds for the amounts directly billed complicates the plan. We reviewed the plan and could not determine what central service activities the direct appropriations funded. The city direct

billed \$19.4 million to Watershed and Aviation in fiscal year 2008, 8% of the total allocated under the plan.

The plan does not summarize fund-level information to explain the net effect of the allocations. Direct billed credits are not explained in the plan, making it hard to identify which services are credited. Nor does the plan provide departments with easily accessible information. The format of the plan makes it difficult for receiving departments to track what was allocated to them. The plan contained schedules for each central service department, but did not always list the direct billed amount in the same schedule. The fiscal year 2008 plan did not include two summary schedules — fixed costs proposed and indirect cost rate proposals — which were included in the fiscal year 2007 plan. The city received the plans in non-searchable formats, such as PDF and hardcopy.

City cut time for quality assurance. Finance shifted the timeframe for plan completion to suit its schedule, compressing the data collection schedule and reducing time for quality assurance. The city's contract with Maximus requires the indirect cost allocation plans to be completed 90 days following the close of the fiscal year — September 30. Maximus submitted both the fiscal year 2007 and 2008 plans in February, four months past the due date. Finance general accounting staff acknowledged they forwarded source documents to Maximus at the last minute. They told us they do not enforce contract timeliness requirements, because the department wants to align completion of the plan with the external audit.

This schedule change delayed Maximus and shortened the time available for a quality assurance of source data and overall plan material errors. According to staff from some of the central service departments, finance requested data at the last minute. For example, the director of general accounting asked revenue to provide its source documents within a day. Revenue provided some of the data, but could not provide the transaction figures for solid waste because a system was down. Because the director of accounting needed the data that day, revenue staff instructed her to use fiscal year 2007 figures for solid waste to fulfill the fiscal year 2008 request. Because finance was late in requesting data, Maximus had little time to review data for accuracy and finance staff had little time to review the plan for material errors. More time to review data submitted and overall plan for material errors could have prevented some of the errors.

The city lacks procedures for preparing the cost allocation plans. Finance provided a one-page policy that described the double step-down method, but did not address city responsibilities, process for obtaining documents from the central service departments, schedule for plan completion, or record retention requirements.

# Strengthened Contract Management Could Reduce Risk of Error

The city's contract with Maximus does not define responsibilities for ensuring data reliability. The contract also lacks a mechanism for evaluating contractor performance. City oversight of contract performance was minimal and the contractor did not perform all required activities.

Contract lacks adequately defined scope of services and responsibilities. The city's contract with Maximus broadly defines the scope of services and does not describe how the contractor's performance will be assessed. As shown in Exhibit 8, the contract requires Maximus to prepare two cost allocation plans, suggest recommendations to improve the city's indirect cost recovery, and complete an indirect cost plan for the Department of Information Technology. The contract's cost proposal specifies a package price of \$95,000 for the two cost allocation plans and recommendations to improve the city's indirect cost recovery. Separate pricing for each deliverable allows the city to withhold partial payment if some of the deliverables are unsatisfactory. In addition, the scope of services does not define how quality will be measured, such as whether the city has an acceptable tolerance level for error. The contract requires the city to prepare and give exhibits, schedules or records necessary to Maximus to perform required services, but does not specify who is responsible for verifying the reliability of submissions.

City failed to ensure all requirements were met. The city is responsible for monitoring contracts to ensure that contract deliverables are met. While Maximus provided final indirect cost plans to the city, we found no evidence that the contractor provided analysis and recommendations to improve procedures, as required by the contract. The number of errors we found in the plan strongly suggests that the contractor did not thoroughly review the city's data collection work sheets and methods of distributing cost. No allocation bases were changed between fiscal years 2007 and 2008.

18

Staff from budget, revenue, and information technology told us they need to review their allocation bases and data submitted for the plan because the existing allocation does not accurately reflect the volume of activity for the receiving departments.

# Exhibit 8 Cost Allocation Contract Scope of Work

| <u>Descrip</u> | tion | <u>of Sc</u> | ope c | of Wol | <u>rk</u> |      |            |       |  |
|----------------|------|--------------|-------|--------|-----------|------|------------|-------|--|
|                |      |              | _ 11  | _ 4.2  |           | -111 | <b>L</b> - | hasad |  |

1. The cost allocation plans shall be based on actual expenses and shall identify all funds administered by the City. One plan shall be prepared in accordance with the Office of Management and Budget Circular A87 and the second plan shall be prepared in accordance with the full costing concepts that recognize all expenditures of the city.

- 2. Indirect cost rates developed from all plans shall be prepared in the bureau or office level. Each report shall include the citywide indirect costs and the bureau or office level indirect costs.
- 3. The analysis and recommendations as to current procedures shall include strategies and procedures to be used by the city to optimize its potential indirect cost recovery. The services include a thórough review of the city's data collection work sheets and methods of distributing cost and identification of all location bases and indirect cost plans.
- 4. Prepare a cost allocation plan for the city's Department of Information Technology that develops cost-based rates to be charged to benefiting departments for cost recovery purposes.

\$67,000 for item #4

<u>Cost</u> \$95,000

per year

for items #1 - #3

Source: City Contract - Agreement, FC-6007000018, Indirect Cost Allocation

#### **Recommendations**

To ensure that the cost allocation plan is equitable, the Chief Financial Officer should:

- 1. Make appropriate adjustments to the financial statements for fiscal year 2008.
- 2. Document cost allocation procedures to include department meetings, timeframe for submissions, and schedule for plan completion.
- 3. Establish a policy to meet annually with applicable city departments to explain the purpose and planned uses of the source data; identify, document, and review the allocation basis for each department; and identify any significant organizational changes that would impact the cost allocation plan.
- 4. Simplify and consistently identify central service departments.
- 5. Simplify plan methodology to allocate indirect costs at the fund level only, rather than to departments within funds.
- 6. Independently review city departments' allocation data for logic and accuracy, and ensure that the bases reasonably reflect workload and benefit to receiving departments.
- 7. Rebid the cost allocation contract. In the new RFP, include performance measures to assess contractor performance.
- 8. Eliminate direct bill full-time equivalents for overhead departments. Recover the cost of the positions through the indirect cost allocation on a monthly basis.
- Allocate Oracle implementation costs by annual depreciation through the cost allocation plan or charge funds directly for a share of the implementation costs.
- 10. Allocate Oracle operating costs among funds beginning with fiscal year 2009.

11. Allocate Oracle costs using a combination of transactions performed and budgeted full-time-equivalent employees as allocation basis for both implementation costs and annual operating costs.

# **Appendices**

# Appendix A Management Comments and Response to Audit Recommendations

| Report # 09.04 Report T  | Report Title: Indirect Cost Allocation  | Date: 12/10/2009     |
|--|---|----------------------|
| Recommendation Responses   | ses   |                      |
| Rec. * 1 Make appropriate adj  | Make appropriate adjustments to the financial statements for fiscal year 2008.  | Agree                |
| Proposed Action:   | Adjustments were made to the 2009 financials for both the 2007 and 2008 impacts.  | 10                   |
| Implementation Timeframe:  | Completed   |                      |
| Responsible Person:  | Allison Lehr  |                      |
| <b>Rec. * 2</b> Document cost allocation procedur and schedule for plan completion.                      | Document cost allocation procedures to include department meetings, timeframe for submissions, and schedule for plan completion.  | Agree                |
| Proposed Action:   | Manual to be compiled, explained and distributed to impacted departments.   |                      |
| Implementation Timeframe:  | May 2010  |                      |
| Responsible Person:  | T. Greg Richardson  |                      |
| Rec. * 3 Establish a policy to replay to planned uses of the second department; and iderallocation plan. | Establish a policy to meet annually with applicable city departments to explain the purpose and planned uses of the source data; identify, document, and review the allocation basis for each department; and identify any significant organizational changes that would impact the cost allocation plan. | Agree                |
| Proposed Action:   | This should be part of the Manual developed in recommendation #2 and should be a part of the annual budgeting process.  | a part of the annual |
| Implementation Timeframe:  | May 2010  |                      |
| Responsible Person:  | T. Greg Richardson / Roosevelt Council  |                      |
|  |   |                      |

| Rec. # 4 Simplify                                | y and consiste   | Simplify and consistently identify central service departments.  | Agree   |
|--|--|--|---|
| Propo  | Proposed Action:                                       | Accounting and Finance team needs to be developed to address and document as part of recommendation #2 and #3.   | t of recommendation #2  |
| Implementation Timeframe:<br>Responsible Person: | entation Timeframe:<br>Responsible Person:             | May 2010<br>T. Greg Richardson / Roosevelt Council   |   |
| Rec. * 5 Simplif departi                         | Simplify plan methodology<br>departments within funds. | Simplify plan methodology to allocate indirect costs at the fund level only, rather than to departments within funds.  | Partially Agree   |
| Propo  | Proposed Action:                                       | While the City currently only allocates at the fund level and the plan methodology does need to be simplified, an analysis needs to be completed to see the impact of simplification would/may have on applicable OMB Circular 87 costs charged back to appropriate grants. The City is currently not supplying or being reimbursed for the allowable costs. | s need to be simplified, an<br>napplicable OMB Circular<br>ing reimbursed for the |
| Implementation Timeframe:                        | <u>Timeframe</u> :                                     | May 2010   |   |
| Responsi   | Responsible Person:                                    | T. Greg Richardson   |   |
| Rec. * 6 Indepe                                  | endently revie<br>ises reasonabl                       | Independently review city departments' allocation data for logic and accuracy, and ensure that the bases reasonably reflect workload and benefit to receiving departments.   | Agree   |
| Propo  | Proposed Action:                                       | This should be part of the process Manual developed in recommendation #2.  |   |
| Implementation Timeframe:                        | Timeframe:   | May 2010   |   |
| Respons  | Responsible Person:                                    | T. Greg Richardson   |   |
| Rec. # 7 Rebid contra                            | Rebid the cost allocation contractor performance.      | Rebid the cost allocation contract. In the new RFP, include performance measures to assess contractor performance.   | Agree   |
| Proposed Action:<br>Implementation Timeframe:    | Proposed Action:<br>ation Timeframe:                   | RFP needs to be rebid asap.  No later than March 2010.   |   |
| Respons  | Responsible Person:                                    | T. Greg Richardson   |   |
|  |  |  |   |

| Rec. # 8 Eliminate direct l  | Eliminate direct bill full-time equivalents for overhead departments. Recover the cost of the Partially Agree positions through the indirect cost allocation on a monthly basis.  |
|--|---|
| resident and a   |   |
| Proposed Action:   | Accounting and BFP team needs to be created to discuss the best approach for this. If someone truly is working  |
|  | 100% for a department, those charges need to continue to be direct billed. However, if they are working across  |
|  | funds, the best way to approach this is: Determine % to be worked in a particular budget year, set up<br>  appropriate distribution in LD and properly budget (this will then automatically happen monthly). Will impact HR |
| ;  |   |
| Implementation Timeframe:  |   |
| Responsible Person:  | i: T. Greg Richardson / Roosevelt Council   |
| Rec. # 9 Allocate Oracle in  | Allocate Oracle implementation costs by annual depreciation through the cost allocation plan or Agree   |
| charge funds dire  | charge funds directly for a share of the implementation costs.  |
| Proposed Action:   | Implementation costs are known. Internal Audit has provided a recommendation on how to most equitably   |
|  | allocate the costs. Accounting, BFP and DIT to form a team to work together on pulling data, validating data and communicating impact to various funds for these costs.   |
| Implementation Timeframe:  |   |
| Responsible Person:  |   |
| Rec. * 10 Allocate Oracle o  | Allocate Oracle operating costs among funds beginning with fiscal year 2009.  |
| Proposed Action:   | Accounting and BFP team needs to be created to discuss the best approach for this and ensure properly   |
|  | accounted and budgeted for going forward. Communication needs to be distributed as to change. Need to work with DIT to bull data necessary to accomplish allocation. Currently budgeted in DIT and allocated based on DIT's |
|  |   |
| Implementation Timeframe:  | #   April 2010  |
| Responsible Person:  | T. Greg Richardson / Roosevelt Council  |
| Rec. *11 Allocate Oracle c   | Allocate Oracle costs using a combination of transactions performed and budgeted full-time-   |
| equivalent emplo   | equivalent employees as allocation basis for both implementation costs and annual operating   |
| costs.   |   |
| Proposed Action:   | This really refers to recommendation #9 and 10. Accounting agrees with recommendation.  |
| Implementation Timeframe:  | Paril 2010  |
| Responsible Person:  |   |
| the state of the s | 是一个,我们是一个,我们是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们就是一个,我们是一个,我们  |

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#### Atlanta City Council

#### REGULAR SESSION

10-C-0054 REPORT OF CITY AUDITOR LESLIE WARD FOR INDIRECT COST ALLOCATION REFER FINANCE

YEAS: 15
NAYS: 0
ABSTENTIONS: 0
NOT VOTING: 1
EXCUSED: 0
ABSENT 0

Y Smith Y Archibong Y Moore Y BOND Y Hall Y WAN Y Martin Y WATSON Y Young Y Shook Y BOTTOMS Y Willis Y Winslow Y ADREAN Y Sheperd NV Mitchell